

## HOUSE BILL NO. 748

INTRODUCED BY WELLS

BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE  
PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE  
ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR  
STATE MATCHING FUNDS FOR FEDERAL WATER RESOURCE PROJECTS; PROVIDING FOR DEBT  
SERVICE PAYMENTS FROM AVAILABLE AMOUNTS IN THE TREASURE STATE ENDOWMENT REGIONAL  
WATER SYSTEM SPECIAL REVENUE ACCOUNT; PROVIDING FOR MATTERS RELATING TO  
APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Appropriation of bond proceeds.** The amount of \$5 million is  
appropriated from the proceeds of the bonds authorized by [section 2] to the department of natural resources  
and conservation to be used for state matching funds for the north central regional water authority and the dry  
prairie regional water authority, contingent upon the authorization of general obligation bonds by the 59th  
legislature and the sale of bonds by the board of examiners.

NEW SECTION. **Section 2. Authorization of bonds.** The board of examiners is authorized to issue  
and sell general obligation bonds in an amount not exceeding \$5 million to be used for state matching funds for  
the federal water resource projects described in [section 1] over and above the amount of general obligation  
bonds outstanding on January 1, 2005. The bonds must be issued in accordance with the terms and in the  
manner required by Title 17, chapter 5, part 8. The authority granted to the board by this section is in addition  
to any other authorization to the board to issue and sell general obligation bonds.

NEW SECTION. SECTION 3. PAYMENT OF DEBT SERVICE. IT IS THE INTENT OF THE LEGISLATURE TO ANNUALLY  
PAY PRINCIPAL OF AND INTEREST OR PREMIUMS, IF ANY, ON THE BONDS AUTHORIZED BY [SECTION 2] FROM ANY AVAILABLE  
FUNDS IN THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT ESTABLISHED IN

1 90-6-715. FUNDS IN THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT MAY BE  
2 USED EACH FISCAL YEAR TO PAY DEBT SERVICE ON THE BONDS IN THAT FISCAL YEAR TO THE EXTENT THAT FUNDS IN THE  
3 ACCOUNT ARE THEN AVAILABLE. SUBJECT TO THE LIMITATIONS OF 90-6-715, FUNDS IN THE TREASURE STATE ENDOWMENT  
4 REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT ARE SUBJECT TO APPROPRIATION FOR OTHER PURPOSES THAT  
5 THE LEGISLATURE CONSIDERS APPROPRIATE AND ARE NOT RESERVED TO PAY DEBT SERVICE ON THE BONDS AUTHORIZED  
6 BY [SECTION 2].

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8 **NEW SECTION. SECTION 4. AGREEMENT WITH DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION.**  
9 THE BOARD OF EXAMINERS AND THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION MAY ENTER INTO AN  
10 AGREEMENT FOR THE MATCH TO FEDERAL CONSTRUCTION FUNDS FOR THE PURPOSE OF REGIONAL WATER PROJECTS,  
11 UNDER WHICH THE DEPARTMENT SHALL PAY THE STATE TREASURER, FOR DEPOSIT IN ACCORDANCE WITH 17-2-101  
12 THROUGH 17-2-107, AN AMOUNT, AS DETERMINED BY THE STATE TREASURER, THAT IS SUFFICIENT TO PAY THE PRINCIPAL  
13 AND INTEREST DUE ON THE BONDS AND NOTES FROM WHICH THE APPROPRIATION WAS MADE. THE AGREEMENT MUST  
14 FURTHER PROVIDE THAT INCOME FROM THE INVESTMENT OF BOND PROCEEDS, UNUSED PRINCIPAL, AND THE RESERVES  
15 NOT REQUIRED FOR A MATCH TO FEDERAL CONSTRUCTION FUNDS FOR THE PURPOSE OF REGIONAL WATER PROJECTS MAY  
16 BE CREDITED AGAINST THE DEPARTMENT'S PAYMENT OBLIGATION. PAYMENT BY THE DEPARTMENT MUST BE MADE FROM  
17 AVAILABLE FUNDS.

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19 **NEW SECTION. SECTION 5. Legislative consent.** The appropriation authorized in [section 1]  
20 constitutes legislative consent for the projects contained in [section 1] within the meaning of 18-2-102.

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22 **NEW SECTION. SECTION 6. Requirement for approval of state debt.** Because [section 2] authorizes  
23 the creation of state debt, a vote of two-thirds of the members of each house of the legislature is required for  
24 enactment of [section 2]. If [section 2] is not approved by the required vote, [this act] is void.

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26 **NEW SECTION. SECTION 7. Effective date.** [This act] is effective on passage and approval.

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